



## **ORDINANCE**

**2008-14**

# **CITY OF BERLIN**

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In the year of our Lord Two Thousand Eight

### **AN ORDINANCE**

amending the CODE OF ORDINANCES,

Chapter 19, DEVELOPMENT relating to partial tax exemptions for new construction for industrial and commercial uses

**Be it ordained by the City Council of the City of Berlin, as follows:**

WHEREAS, the Legislature has passed HB 1651 which allows municipalities in Coos County to offer property tax exemptions to foster commercial and industrial construction; and

WHEREAS, the City of Berlin is in need of additional commercial and industrial activity, diversification and employment.

NOW THEREFORE BE IT ORDAINED by the Mayor and Council of the City of Berlin that the Code of Ordinances of the City of Berlin is hereby amended as follows:

#### **Amendment 1.**

Amend Chapter 19, Development, Article II, Development by changing the title of Article II to the new title of "Community Revitalization Tax Relief Incentive", and further by deleting in its entirety the title of "Division 1. Community Revitalization Tax Relief Incentive".

#### **Amendment 2.**

Amend Chapter 19, Development, by adding a new "Article III, Partial Tax Exemption for New Industrial and Commercial Construction" to read as follows:

### ARTICLE III

#### PARTIAL TAX EXEMPTION FOR NEW INDUSTRIAL AND COMMERCIAL CONSTRUCTION

##### Sec. 19-46. Declaration of Public Benefit

(a) It is declared to be a public benefit to encourage commercial and industrial construction as a means to add to and diversify the City's economic base. New or additional industrial business not only adds to the tax base of the City but also provides new employment and economic activity in the City.

(b) Short-term property tax exemption is a means to encourage this type of added economic activity and employment growth in the City.

##### Sec. 19-47. Tax Exemption Authority.

The City of Berlin hereby adopts the provisions of RSA 72:76 in the manner specified under RSA 72:77 and in accordance with the procedures set forth in RSA 72:27-a and in the City's normal procedures.

##### Sec. 19-48. Definitions.

In the interpretation and enforcement of this article, all words other than those defined specifically below shall have the ordinarily accepted meanings. For the purpose of this Article, the following definitions from RSA 72:75 shall apply:

a. "Commercial Uses" shall include all retail, wholesale, service, and similar uses.

b. "Industrial Uses" shall include all manufacturing, production, assembling, warehousing, developing or processing of goods or materials for sale or distribution, research and development activities and processing of waste materials.

c. "New Construction" shall mean construction of new structures and additions, renovations or improvements to existing structures.

##### Sec. 19-49. Tax Exemption.

Any owner of property who either is or will be engaged in new construction on his/her property which will be utilized for a commercial use and/or industrial use as defined herein may apply to the Board of Assessors for an exemption from municipal and local school property taxes (no exemption from county or state education property taxes for the increase in assessed value attributable to the new construction) in accordance with the following table:

##### % Tax Exemption of Increased Assessed Value from New Construction

	<u>Tax Year 1</u>	<u>Tax Year 2</u>	<u>Tax Year 3</u>	<u>Tax Year 4</u>	<u>Tax Year 5</u>
<u>Commercial</u>					
<u>Uses</u>	<u>25%</u>	<u>20%</u>	<u>15%</u>	<u>10%</u>	<u>5%</u>
<u>Industrial</u>					
<u>Uses</u>	<u>50%</u>	<u>40%</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>

**Sec. 19-50. Application for Exemption.**

1. On or before March 1 following the date of notice of tax under RSA 72:1-d for any year for which the exemption is claimed, a person qualified for an exemption under this ordinance shall file an application with the Board of Assessors (BOA) on an application form provided by them, signed by the applicant under penalty of perjury, which contains adequate information to demonstrate that the applicant is qualified for the exemption.
2. The BOA shall notify the applicant of their decision on or before July 1 following the date of notice of tax under RSA 72:1-d. The decision shall specify the amount of the exemption that it is effective beginning the prior April 1, and the number of years (not to exceed ten years) for which the exemption applies to qualified construction. The exemption for all years shall cumulatively not exceed 500% of the increased assessed value. The decision of the BOA may be appealed in the manner set forth in RSA 72:34-a.
3. Alternatively, an owner may apply for the exemption prior to construction, but in no case more than 12 months before the beginning of the tax year for which the exemption is sought. In such cases the BOA may anticipatorily grant the exemption, subject to adjustment when the actual increase in assessed value becomes known. If construction is partially complete on April 1 of any year, the exemption for that year shall be based on the increased assessed value attributable to the partial construction, but the duration of the exemption shall be adjusted such that the cumulative amount of exemptions received, based on the construction as completed, is proportional to that received by other eligible properties.
4. The BOA may request such additional or updated information as is necessary to determine eligibility. If the BOA is satisfied that the applicant has willfully made any false statement, or has refused to provide information after such a request, the BOA may refuse to grant the exemption.
5. If the City completes a revaluation during the period for which an exemption has been granted, the amount of the exemption shall be adjusted by the difference in equalization ratios applicable in the City before and after the revaluation.

**Sec. 19-51. Resumption of Full Tax Liability.**

Upon expiration of the tax exemption period, the property shall be taxed at its full market value in accordance with RSA 75:1.

**Sec. 19-52. Sunset Provision.**

In accordance with RSA 72:77-II., this Article will expire and become void after 5 tax years from the date of its adoption. However, any application for exemption which has already been granted prior to the expiration of such 5 tax year period will continue to apply at the rate and for the duration in effect at the time it was granted.

PASSED: \_\_\_\_\_  
Date

APPROVED: \_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk